

Remarks by Ambassador Adam Ereli
Corporate Governance Code Launch Event,
March 16, 2010 at 9:00am
Gulf Hotel, Manama, Bahrain

Updated 3/16/2010 5:07 PM

Good Morning,

First, I would like to thank their Excellencies Dr. Hassan Fakhro, Minister of Industry & Commerce and Rasheed Maraj, Governor of the Central Bank of Bahrain, for their outstanding support and leadership in the development of world-class corporate governance in Bahrain. The Ministry of Industry and Commerce and the Central Bank of Bahrain should be commended for their vision and commitment to advance and improve the principles of good corporate governance, and the economic benefits that accompany. Through the National Committee of Corporate Governance, they have reached out to the private sector and developed a framework that will guide businesses and change corporate culture in ways that put these businesses on par with leading companies around the world.

Two years ago, a financial earthquake shook the foundations of economies. Bahrain is emerging from that financial downturn in a good position, continuing its role as a leader in the Gulf region, and is poised to expand its reach in the global market. But even though Bahrain has positioned itself as a business leader in the Gulf, progress must still be made. Even the fastest Formula One car needs to be improved and upgraded continually to remain competitive. Fostering an attractive investment climate – for both domestic and foreign investors—will be a key factor to Bahrain's continued growth.

Good corporate governance practices are a core component in creating an environment conducive to sustainable economic development. By putting in place rules and principles that stabilize markets, reduce risk, advance investor confidence, and strengthen ethical behavior, Bahrain can help ensure a dynamic and growing economy.

This Corporate Governance program is sponsored by the Middle East Partnership Initiative (MEPI), an initiative that strives to support freedom and opportunity through education, economic growth, and personal empowerment. MEPI has supported the U.S. Department of Commerce Commercial Law Development Program (CLDP), and the Center for International Private Enterprise (CIPE), a non-governmental organization that has provided technical assistance over the past three years. As one of the leading international organizations specializing in corporate governance, CIPE has provided technical expertise and insight based on its experience in more than 100 countries throughout the world over the past 25 years. CLDP

and CIPE have played a key role in helping the National Committee develop the code of corporate governance and prepare the private and public sector to implement that code.

CLDP aims to improve the legal environment for doing business, thereby fostering economic opportunities and greater political stability. CLDP assists political, regulatory, judicial and commercial leaders to augment their policies, laws, and organizational structures. Through funding from MEPI, CLDP is assisting several countries in the Middle East to enact commercial laws and support policies that comply with international standards as established through international agreements and organizations.

For the past two years, CIPE has worked with various business associations in Bahrain to raise awareness in both the public and private sector about the importance and benefits of corporate governance. CIPE helped facilitate a consultative process for the code to ensure that it reflects the needs and concerns of key stakeholder groups in Bahrain. To build institutional capacity and knowledge in the Kingdom of Bahrain, CIPE has also conducted a number of trainings and seminars for businesspeople, government regulators, and journalists on corporate governance practices. But all of this is not enough. Now, long-term efforts are needed to help the private and public sectors gain the skills and knowledge necessary to translate the concepts enshrined in the code we are inaugurating today into practice to encourage transparency, accountability, responsibility, and fairness.

Today's launch is an example of the benefits of cooperation. Working together, the U.S. Government and Bahrain have combined their expertise to help further economic prosperity in the region. The product of our combined efforts is a corporate governance code that not only will help Bahrain's businesses become more competitive, but will serve as a model for the region—again illustrating Bahrain's leadership in economic reform.

On behalf of the United States, I would like to thank you all for your participation in this important effort, and I look forward to continuing to work with our partners here in Bahrain to showcase opportunities that benefit American and Bahraini businesses alike.

Thank you.